Multiconsult ASA third quarter 2017 result

Multiconsult ASA third quarter results were impacted by a negative calendar effect of one less working day compared to the same period last year. The billing ratio was low, reflecting lower project activity and resources allocated to implementation of the new ERP system. Significant frame agreement for Fornebubanen was awarded in September. Acquisition of Hjellnes Consult and Johs Holt was successfully completed, in line with 3-2-1 GO strategic objectives.

Oslo, 9 November 2017 - Multiconsult delivered a third quarter net operating revenue growth of 9.8 per cent to NOK 608.8 million year on year, reflecting higher production due to net recruitment and acquisition of Iterio AB and aarhus arkitekterne A/S among others. The new ERP system was implemented in September. Start-up issues and training, together with lower project activity impacted the billing ratio, which fell to 66.6 per cent. There was a negative calendar effect of one less working day this quarter, impacting net operating revenues. Billing rates were at similar levels to last year.

EBIT amounted to NOK 10.5 million in the third quarter, a decrease of 69.4 per cent year on year, due to higher operating expenses.

Year to date net operating revenues increased by 11.9 per cent year on year to NOK 2 147.4 million. The increase in net operating revenues was mainly driven by higher production due to acquisitions as well as net recruitment.

Year to date EBIT amounted to NOK 120.7 million, a decrease of 26.1 per cent year on year, reflecting higher employee benefit expenses, which grew due to ordinary salary adjustment and increased headcount as well as non-recurring expenses including implementation of new ERP system.

"Third quarter is traditionally a challenging quarter due to summer holidays, however I am not pleased with the earnings this quarter, although much of the reason being the ERP implementation. I am very excited about the award of the significant and professionally prestigious frame agreement for Fornebubanen. The acquisition of Hjellnes Consult and Johs Holt is finalised and the integration work is in progress. This is a big step towards realisation of the 3-2-1 GO strategic objectives for Norway", says CEO of Multiconsult ASA Christian Nørgaard Madsen.

The order backlog at the end of the third quarter was NOK 2 107.9 million, an increase of 27.6 per cent year on year. The order backlog of the Hjellnes group of NOK 153.4 million is reported as order intake and included in order backlog as of 30 September 2017.

Among important new contracts this quarter was Multiconsult Polska's work on the Ełk – Korsze railway line with PKP Polish Railway in Poland, as well as Multiconsult UK's power utility identification and evaluation with ZESCO, the Zambian national power utility. Important add-ons to existing contracts this quarter were Intercity Haug – Halden and Bergheim healthcare facilities in Norway as well as Mount Coffee in Liberia.

As of 30 September 2017, total assets amounted to NOK 1 662.6 million, and total equity amounted to NOK 586.2 million, reflecting the issue of equity in connection with the acquisition of the Hjellnes group. The group held cash and cash equivalents of NOK 156.0 million. Interest bearing debt amounted to NOK 336.4 million, while net interest bearing debt amounted to NOK 180.3 million.

The overall market outlook remains fairly positive. Current market rates have stabilised, the increase cost level for the Norwegian workforce has led to challenging profitability for the industry in general. Multiconsult's strong market position, flexible business model and wide service offering provides a sound base for further growth, both domestic and international. Multiconsult will work to intensify its efforts on sales, billing ratio improvement, strong project execution and efficiency throughout the organisation to improve profitability and secure profitable growth.

A presentation of the third quarter 2017 results will be held today, 9 November, at 09:00 CET at Hotel Continental, Stortingsgaten 24/26, Oslo.

The presentation will be held by CEO Christian Nørgaard Madsen and CFO Anne Harris.

A live webcast from the presentation can be accessed at www.multiconsult-ir.com and http://webtv.hegnar.no/presentation.php?webcastId=67474677

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ABOUT MULTICONSULT
Multiconsult is a leading Norwegian multidisciplinary engineering consulting company, with more than 2 800 employees and 45 offices in Norway and abroad. The Company focuses on six business areas: Buildings & Properties, Transport, Renewable Energy, Oil & Gas, Industry and Water & Environment. The Company has an operating history that spans more than a century, with the inception of Norsk Vandbygningskontor in 1908.